GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1815
ANSWERED ON:01.08.2003
ASSESSMENT CASES
RAMJI MANJHI

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a loss of Rs.3496.67 crore has been caused to the State by the Income Tax authorities for assessing less income in 12791 assessment cases as brought out in the `Dainik Jagran` of 5th May, 2003;

(b) if so, the reasons for assessing less income and have those assessing officers been charge-sheeted for assessing less income or for showing favour to the assesses;

(c) whether the money have been recovered from the assesses;

(d) if not, the reasons therefor;

(e) the steps have been taken to make the assessing officers accountable and responsible for under assessing causing loss to the State; and

(f) the details of the corporate houses etc. whose income has been under assessed more than one crore in each of the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a): No Sir, fact mentioned are observations of C&AG of India containedin the C&AG Report No.12 of 2003.The process of audit observation and its settlement is a continuous feature.

(b): Reasons for under assessment include incorrect computation of business income, mistake in allowance of depreciation & investment allowance, incorrect allowance of capital expenditure, incorrect carry forward and set off of loss, incorrect deduction under Chapter VIA of Income Tax Act, excess refund, incorrectcalculation of tax and interest etc. In appropriate cases the action is taken against the erring Assessing Officer by the concerned Jurisdictional Commissioner of Income Tax.

(c) & (d): Tax recovery is subject to appeals at CIT(Appeals), ITAT, Settlement Commission, High Court and Supreme Court and the final figure of recovery can be ascertained only after giving these appeal effects. There is no central mechanism to determine exact amount in such cases which have resulted in recovery of taxes at various stages.

(e): There is in-built mechanism of inspections and internal audit to make Assessing Officers accountable and responsible.

(f): This is not maintained centrally at the Ministry level.